

February 12, 2001

MEMORANDUM

TO: DCH Board of Directors

FROM: Russ Toal

SUBJECT: Board Meeting - February 14, 2001

Enclosed are documents related to the State Health Benefit Plan that will require your attention at the February 14, 2001 Board of Directors Meeting. The following information is provided as an overview of the issues to be discussed and as a guide for those items that will require Board action or are being provided as information only.

Please note that premium rates for the High Option, Standard PPO, PPO CCO, and HMO Plans will be presented to the Board for consideration and approval at the March Board meeting. Our actuarial firm expects the recommended changes to the existing benefits to have minimal impact on the premiums for fiscal year 2002.

OPEN ENROLLMENT

- ◆ SHBP Open Enrollment preparations for the 2001-2002 Plan year have begun. Meeting Leader training will begin on March 26, 2001 (see **Exhibit I** for training sessions schedule).
- ◆ 36 sessions will be held across the State including 10 special Health Plan sessions for Boards of Education.
- ◆ The contract for special assistance with the Retiree Open Change Period was renewed.
- ◆ We will have a dedicated retiree call center during and after Open Enrollment. The function of the center will be to handle all retiree calls related to benefit and claims inquiries.
- ◆ We will offer retiree meetings across the State on the same or similar schedule from the last Retiree Option Change Period, which included 134 sessions held in 45 different locations in order to reach our retiree population and these sessions will begin around April 16 and end on May 11.
- ◆ SHBP is developing a new Summary Plan Description (SPD). The current SPD has not been revised since November 1995.
 - The target date for posting the new SPD on the Website is April 2, two weeks prior to Open Enrollment. It will be distributed in printed format during the Summer.

BOARD OF REGENTS PPO STATUS REPORT

- ◆ PPO post-implementation meetings will take place with employees at the University of Georgia campus February 12 and 13. This will be the first of many meetings that will occur through the year at the various institutions. The purpose of these meetings will be to discuss various concerns related to the PPO, pharmacy card program and other new programs implemented January 1, 2001.
- ◆ The first quarter HR Directors meeting will be held at St. Simons March 7-9. Vendors have been asked to attend this conference to discuss the progress of the newly implemented program. PEHB staff also will be in attendance at this meeting.

PHARMACY BENEFIT MANAGER (PBM) IMPLEMENTATION STATUS – SHBP AND BOR

- ◆ SHBP Standard PPO Option, PPO Consumer Choice Option, and High Option Pharmacy Co-payment Program
 - As approved by the Board, effective July 1, the SHBP will move to a pharmacy benefit card program.
 - Currently members pay for their drugs up front and submit claims for payments which are applied to the \$300/\$900 deductible and subject to co-insurance amounts paid by the plan and the members. The new pharmacy benefit program will include a three-tier co-payment for generic, preferred brand and non-preferred brand prescriptions.
 - The three-tier co-payment offers flexibility in choosing drugs that best suit the patient's needs.
 - The co-payment amounts are as follows: \$10.00 for generic drugs or the actual cost of the drugs if less, \$20.00 for preferred brand drugs or the actual cost of the drugs if less, and a \$35.00 minimum and \$75.00 maximum for non-preferred brand drugs.
 - The pharmacy program also will include selected smoking cessation products.
- ◆ Work continues on the implementation of the pharmacy program for both SHBP and BOR.
- ◆ BOR Plan Members will be mailed a letter and revised prescription drug list this month. Revised member handbooks expected to be mailed by mid March.
- ◆ Express Scripts successfully completed its recruitment of all chains and targeted independent pharmacies with the exception of 30 locations.

An on-site review was conducted the week of January 18, 2001 at the Bloomington, Minnesota office by the Mercer Consultant Group to assess the customer service unit and monitoring of the call center. Mercer's overall assessment indicated that ESI has the systems and tools in place to provide acceptable levels of service in the administration of the pharmacy program.

SELF-INSURED PLAN BENEFIT

The Department proposes to offer a High Option Indemnity Plan, Standard PPO Plan and a PPO Consumer Choice Option (CCO) Plan this year for a July 1, 2001 effective date. **Exhibit II** provides a detailed description of the High Option and Standard PPO Option. The Department is recommending the following changes be made to the schedule of benefits:

◆ **PPO Option and CCO Plans:**

- Include routine laboratory tests (i.e., urinalysis, strep cultures, etc.), x-rays, and selected diagnostic tests when performed in the physician's office in the \$20 office visit co-payment for treatment of illness or injury. MRIs, nuclear medicine, CT scans and surgery would continue to be subject to co-payments, deductibles, and co-insurance.

◆ **High Option Plan:**

- Increase Wellness/Preventive Health Care from \$100 per person per Plan year to \$200 per person per Plan year for covered tests and immunizations. *Deductibles and co-insurance amounts will continue to be waived.*
- Increase covered amounts for mammograms from \$75.00 to \$125.00. *Deductibles and co-insurance amounts will continue to be waived.*
- Physician services associated with wellness/preventive services will be covered and subject to the deductible and co-insurance.

MODEL HMO BENEFIT DESIGN AND CHANGE IN SERVICE AREAS

- ◆ **Exhibit III** describes the present range of HMO Benefits for the Medicare Risk product and the recommended changes for members covered by that product. We have no recommendations for amendment to the Regular HMO Model for the upcoming Plan year.
- ◆ The three contracted HMO's will continue to offer their standard HMO Plan and a Consumer Choice Option.
- ◆ **Exhibit IV** summarizes the necessary service area changes.

In order to accept an HMO's request for a new county to be added to a service area, our standard operating procedures have included the following:

1. a minimum of two primary care physicians accepting new patients,
2. a shared border with another county already in the HMO's service area, and
3. the requested county does not constitute a new service area (i.e., a new major metropolitan area, such as Columbus).

Aetna US Healthcare: Benefit and Service Area Changes

- ◆ No material benefit changes
- ◆ Add Pickens County to Atlanta service area
- ◆ Close Oconee County to new members in the Atlanta service area
- ◆ Close all counties in Augusta and Macon service areas to all members
- ◆ Effective January 1, 2001, Aetna discontinued its M+C Option

BlueChoice: Benefit and Service Area Changes

- ◆ No material benefit changes
- ◆ Effective January 1, 2001, BlueChoice discontinued offering its M+C Option in Rockdale County.
- ◆ M+C product will not be offered to retirees effective January 1, 2002. There are currently 77 members enrolled in the BlueChoice M+C option.
- ◆ Effective July 1, 2001, BlueChoice has proposed to pay secondary benefits for our members aged 65 or older, whether or not the member has Medicare Part B. This is a concern since members who elected not to enroll into full Medicare when first eligible would have to pay a Medicare premium penalty – if they were to enroll now. We also have members who were not entitled to Medicare or will not be entitled to Medicare. We are negotiating with BlueCross on this and the discontinuation of the M+C product offering.

Regular Kaiser HMO Product

- ◆ Material Benefit Changes:
 - Add a \$25 co-payment for outpatient follow-up or continuing medical care when outside of any other Kaiser Foundation Health Plan service area by more than 100 miles.
 - Expand coverage to all members for the \$500 per calendar year maximum for follow-up care associated with emergency room treatment received outside the service area.
 - Close Hall County in the Atlanta service area

Medicare + Choice Kaiser Product

- ◆ Material Benefit Changes:
 - Add a \$25 co-payment for outpatient follow-up or continuing medical care when outside of any other Kaiser Foundation Health Plan service area by more than 100 miles.
 - Expand coverage to all members for the \$500 per calendar year maximum for follow-up care associated with emergency room treatment received outside the service area.
 - Increase co-payment to \$15 per visit (from \$10) for eye exams for corrective lenses and screenings for eye diseases from participating providers designated by Kaiser Permanente.
 - For mental health outpatient services Kaiser requests the following change: \$10 co-payment for visits 1-8 and co-payment of 50% for charges for additional benefits. We recommend that our Model be amended to allow for the \$15 co-payment only. We do not recommend amending the Model to include the 50% co-payment.
 - For emergency room services Kaiser requests the following change: \$20 co-payment at Kaiser Permanente medical centers after regular office hours. The Regular HMO Model does allow for up to a \$25 co-payment for "office urgent care." We recommend that we allow the \$25 co-payment (to be consistent with the Regular HMO Model) and that we amend our Medicare-Risk Model to include "office urgent care."

BOARD ACTION REQUESTED: Approval of recommended benefit changes and service area changes.

PROPOSED STATE HEALTH BENEFIT PLAN REGULATION CHANGES (See Exhibit V)

- ◆ IRS issued final regulations in March 2000 relating to mid-year election changes under Section 125 cafeteria plans. These changes are effective for cafeteria plan years beginning on or after January 1, 2001.
- ◆ IRS also issued new proposed regulations for allowing changes in conjunction with special enrollment events and rights under the Health Insurance Portability and Accounting Act (HIPAA).
- ◆ Federal law requires that employees on military leave (defined) be able to continue coverage for 18 months. Current SHBP regulations limit continuation to 12 months. Proposed amendment to SHBP regulations reflects compliance with Federal law.

BOARD ACTION REQUESTED: Approval of recommended amendments to SHBP regulations.

Exhibit I

2001- 02 Meeting Leader Training

Open Enrollment – April 16 – May 15, 2001

Date/Time	Max. Seating	Location
Monday, March 26 MLT - 9:00 – 12:00 SHBP – 1:00 – 3:00	50	Atlanta Board Room (Includes separate SHBP Mtg.) Rm 512 West Tower Floyd Building
Monday, March 26 MLT – 9:00 – 12:00 SHBP – 1:00 – 3:00	200 Screen/VCR/OH, 2 Registration Tables	Macon-Medical Ctr of Central GA (Includes separate SHBP Mtg.) West Auditorium – Education Center 777 Hemlock Street Macon, GA Helen Bowie (912)751-6303
Tuesday, March 27 9:00 – 12:00	40 TV/VCR, OH Registration Tables	DOT – Chamblee – CLOSED MTG 5025 New Peachtree Road Chamblee 30341 Auditorium (770)986-1000 Cindy Naterman (770)986-1001
Tuesday, March 27 9:00 – 12:00	150 TV/VCR, OH, 2 Registration Tables	Rome – Floyd College Walraven Bldg. Main Campus, Room W333 3175 Cedartown Highway SE, Rome, 30162 Sarah Burkhalter (706)295-6324 (\$100 Charge)
Wednesday, March 28 MLT – 9:00 – 12:00	CLOSED MTG	Department of Juvenile Justice – CLOSED Mtg. Ga Public Training Center 1000 Indian Springs Drive, Forsyth, GA 31029 Facility phone (912)993-4417 Jeruisha Briggs (404)657-2487
Wednesday, March 28 MLT – 9:00 – 12:00 SHBP – 1:00 – 3:00	100 TV/VCR, OH Registration Tables	Sandersville Technical College 1189 Deepstep Road Auditorium Sandersville, 31082 Rosemary Burgamy (912)553-2055
Wednesday, March 28 9:00 – 12:00	45 TV/VCR, OH, Registration Tables	Cartersville-DOT DOT District Office 500 Joe Frank Harris Pkwy Cartersville, GA Cathy Branton (770)387-3642/Lynn Huskins
Thursday, March 29 MLT – 9:00 – 12:00 SHBP – 1:00 – 3:00	160 TV/VCR, OH Registration Tables	Augusta Tech Institute (Includes separate SHBP Mtg.) Bldg. 300, Auditorium 3116 Deans Bridge Road, Augusta 30906 Yvonne Willey (706)771-4005
Thursday, March 29 MLT - 9:00 – 12:00	50	Atlanta – Board Room (Includes separate SHBP Mtg.) Room 512 West Tower

Exhibit I

SHBP - 1:00 – 3:00		Floyd Building
Thursday, March 29 9:00 – 3:00	125 TV/VCR, OH Registration Tables	Macon – Forestry (NEW COORDINATOR MTG) 5645 Riggins Mill Road Research Building Auditorium Alice Massey – (912)751-3514
Friday, March 30 9:00 – 12:00 1:00 – 4:00	50	Atlanta – Board Room – Two Meetings Room 512 West Tower Floyd Bldg.
Friday, March 30 9:00 – 12:00	125 TV/VCR, OH Registration Tables	Macon – Forestry 5645 Riggins Mill Road Research Building Auditorium Alice Massey (912)751-3514
Monday, April 2 9:00 – 3:00	50	Atlanta – GMS Exam Room (NEW COORDINATOR MTG) Floyd Bldg. Room 404 West Tower 2 MLK JR., Drive
Monday, April 2 MLT – 9:00 – 12:00 SHBP – 1:00 – 3:00	206 TV/VCR, OH Registration Tables W/swing Seats	Lanier Tech Institute (Includes separate SHBP mtg.) 2990 Landrum Education Drive P. O. Box 58 Oakwood Beth Hendrick or Nancy Mattson (770)531-6379
Tuesday, April 3 MLT – 9:00 – 12:00 SHBP – 1:00 – 3:00	200 VCR/SCREEN, OH, Registration Tables	Jesup – Altamaha Tech Institute (Includes separate SHBP Mtg.) Auditorium 1777 West Cherry Street Jesup Patsy Hayes (912)427-5723
Wednesday, April 4 MLT – 9:00 – 3:00	340 VCR/SCREEN, OH Registration Tables	Savannah-Savannah Tech Institute(NEW COORDINATOR MTG.) 5717 Whitebluff Road-Auditorium (back of bldg.) Makia Manley (912)303-1822
Wednesday, April 4 8:30 – 12:00	35 CLOSED MTG	Macon-Labor Department-CLOSED Mtg 3090 Mercer University Drive Macon 31213 (912)751-6303 Debbie Landers (404)656-3182
Thursday, April 5 MLT – 9:00 – 12:00 SHBP – 1:00 – 3:00	340 VCR/SCREEN, OH Registration Tables	Savannah-Savannah Tech Institute(Includes separate SHBP Mtg) 5717 Whitebluff Road-Auditorium (back of bldg.) Makia Manley (912)303-1822
Friday, April 6 MLT – 9:00 – 12:00	CLOSED MTG	Atlanta-Labor Department-CLOSED Mtg. Sussex Place Bldg. 148 International Blvd. Atlanta 30303 Debbie Landers (404)656-3182
Monday, April 9 MLT – 9:00 – 12:00	50	Atlanta-Board Room – One Meeting 512 West Tower Floyd Building
Monday, April 9	165	Columbus State University (Includes separate SHBP Mtg)

Exhibit I

MLT – 9:00 – 12:00 SHBP – 1:00 – 3:00	VCR/SCREEN, OH Registration Tables	Elizabeth Bradley Turner Center Turner Banquet Hall 4225 University Avenue, Columbus, GA 31907 Pat Corning (706)568-2316
Tuesday, April 10 MLT – 9:00 – 12:00	80 TV/VCR, OH Registration Tables	Tift DFCAS 410 West Second Street, Tifton, 31793 Jane Day (912)386-3620 or (912)386-3388
Wednesday, April 11 MLT – 9:00 – 12:00 SHBP – 1:00 – 3:00	130 VCR/SCREEN, OH Registration Tables	Albany-Dalton College (Includes separate SHBP Mtg) Allied Health-Community Svcs Bldg. 2400 Gillionville Rd., Albany (Brick with Green); Room J121-J126; Vicki Phillips (912)430-6000
Wednesday, April 11 MLT – 9:00 – 12:00	50	Atlanta-Board Room (NEW COORDINATOR MTG) Room 512 West Tower Floyd Bldg.
Wednesday, April 11 8:30 – 12:00	35 CLOSED MTG	Atlanta-Labor Department-CLOSED Mtg. North Metro Field Service Office 2943 North Druid Hills Road Debbie Landers (404)656-3182

Exhibit II

SCHEDULE OF BENEFITS Benefits For You and Your Dependents			
COVERED SERVICES	July 1, 2001 High Option Plan, The Plan Pays:	July 1, 2001 Standard PPO Plan, In-Network, The Plan Pays:	July 1, 2001 Standard PPO Plan, Out-of-Network, The Plan Pays:
Primary Care Physician or Specialist Office or Clinic Visits- <ul style="list-style-type: none"> ▪ Treatment of illness or injury ▪ <i>Services performed in physician's office</i> 	[90%] of UCR Subject to general deductible	[100%] of network rate after a per visit copayment of [\$20]. <i>Office visit co-payment covers charges associated with routine laboratory tests (i.e., urinalysis and strep cultures), x-rays and diagnostic testing.</i> Not subject to general deductible. <i>MRIs, nuclear medicine, CT scans, and surgery are subject to co-payments, deductibles and co-insurance.</i>	[60%] of UCR Subject to general deductible
Primary Care Physician or Specialist Office or Clinic Visits for the following: <ul style="list-style-type: none"> ▪ Wellness care/Preventive health care ▪ Well-newborn exam ▪ Well-child exams and immunizations ▪ Annual physicals ▪ Annual gynecological exams 	<i>\$200 maximum per person per year. Additional \$125 benefit for screening mammogram. No deductible for tests and immunizations. Office visits covered and subject to general deductible and co-insurance.</i> Wellness care covered according to preventive age schedules and medical history. Look up recommended guidelines online at www.healthygeorgia.com or call Member Services line at 800-483-6983 (outside Atlanta) or 404-233-4479 (inside Atlanta).	[100%] of network rate for office visit charge after per visit copayment of [\$20]. [100%] of network rate with no copayment for associated lab and test charges, up to a maximum of \$500 per person per year (at network rate). Not subject to general deductible. To include such services as mammograms, prostate screenings/PSAs and pap smears. Covered according to preventive age schedules and medical history. Look up recommended guidelines online at www.healthygeorgia.com or call Member Services line at 800-483-6983 (outside Atlanta) or 404-233-4479 (inside Atlanta).	Not covered. charges. Do not apply to general deductible or annual out-of-pocket (stop-loss) limits.

SCHEDULE OF BENEFITS
Benefits For You and Your Dependents

COVERED SERVICES	July 1, 2001 High Option Plan, The Plan Pays:	July 1, 2001 Standard PPO Plan, In-Network, The Plan Pays:	July 1, 2001 Standard PPO Plan, Out-of-Network, The Plan Pays:
Maternity Treatment (prenatal and postnatal)	[90%] of UCR	[90%] of network rate after an initial visit copayment of [\$20]. Not subject to general deductible	[60%] of UCR Subject to general deductible
Outpatient surgery in the physician's office	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Laboratory, X-ray, diagnostic tests, including allergy testing received outside a physician's office for the treatment of an illness or injury. (Pre-certification may be required.)	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Allergy Shots and Serum	[90%] of UCR Subject to general deductible	[100%] for shots and serum (If physician is seen, visit is treated as an office visit subject to the per visit copayment of [\$20].) Not subject to the general deductible	[60%] of UCR Subject to general deductible
Allergy Testing	[90%] of UCR Subject to general deductible	[90%] of UCR Subject to general deductible	[60%] of UCR Subject to general deductible
Physician Services Furnished in a Hospital (Pre-certification is required) <ul style="list-style-type: none"> Surgery (including charges by Surgeon, Anesthesiologist, Pathologist and Radiologist) 	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Well-newborn care	Not covered	[100%] of network rate.	Not covered
Outpatient Surgery – Facility	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Hospital Services Other than those that are for Emergency Services as defined by the Plan <ul style="list-style-type: none"> Inpatient Care (Including inpatient short-term rehabilitation services.) Pre-certification required. 	[90%] of UCR Subject to a per admission deductible of [\$100]	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible.
<ul style="list-style-type: none"> Outpatient Services 	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible

SCHEDULE OF BENEFITS
Benefits For You and Your Dependents

COVERED SERVICES	July 1, 2001 High Option Plan, The Plan Pays:	July 1, 2001 Standard PPO Plan, In-Network, The Plan Pays:	July 1, 2001 Standard PPO Plan, Out-of-Network, The Plan Pays:
Well-newborn care	[90%] of UCR Subject to a per admission deductible of [\$100]	[100%] of network rate.	Not covered
Care in a Hospital Emergency Room Treatment of an Emergency Medical Condition or Injury	[90%] of UCR after a per visit copayment of [\$60]. The copayment is reduced to [\$40] if referred by NurseCall 24. The copayment is not charged if admitted within 24 hours; co-insurance and hospital deductible apply.	[90%] of network rate after a per visit copayment of [\$60]. The copayment is reduced to [\$40] if referred by NurseCall 24. The copayment is not charged if admitted within 24 hours. Co-insurance and general deductible apply.	[60%] after a per visit copayment of [\$60]. The copayment is reduced to [\$40] if referred by NurseCall 24. The copayment is not charged if admitted within 24 hours; co-insurance and general deductible apply.
Urgent Care Services (In an approved urgent-care center)	[90%] of UCR Subject to general deductible	[100%] of network rate after a per visit copayment of [\$35]. Not subject to a general deductible	[80%] of UCR Subject to general deductible
X-rays and Laboratory Services (From an approved provider)	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Prescription Drugs (When a member chooses a preferred brand name or non-preferred brand name drug over its generic equivalent, the member will be responsible to “pay-the-difference” between the two in addition to the generic copayment. If the treating physician mandates the preferred brand or non-preferred brand over the generic, the “pay-the-difference” feature will not apply. The member will be responsible for paying the preferred brand or non-preferred brand co-pay amount. If the drug cost is less than the copayment, member pays the drug cost. Copayment is per 30-day supply.	<i>[\$10] copayment for generic drugs; [\$20] copayment for preferred brand name drugs; [20%] coinsurance for non-preferred brand name drugs, with a [\$35] minimum and [\$75] maximum copayment.</i>	<i>[\$10] copayment for generic drugs; [\$20] copayment for preferred brand name drugs; [20%] coinsurance for non-preferred brand name drugs, with a [\$35] minimum and [\$75] maximum copayment.</i>	<i>Covered in conjunction with emergency/urgent services. Member may submit paper claim for reimbursement at the network rate less the required copayment.</i>
Skilled Nursing Facility Services	Not covered	Not covered	Not covered

SCHEDULE OF BENEFITS
Benefits For You and Your Dependents

COVERED SERVICES	July 1, 2001 High Option Plan, The Plan Pays:	July 1, 2001 Standard PPO Plan, In-Network, The Plan Pays:	July 1, 2001 Standard PPO Plan, Out-of-Network, The Plan Pays:
Home Nursing Care (Limited to [\$7,500] per year; Plan-approved Letter of Medical Necessity required. If in lieu of hospitalization, additional benefits may be approved.)	[90%] of UCR (2 hours of care in a 24-hour day) Subject to general deductible. Expenses do not apply to annual out-of-pocket maximum	[90%] of network rate. (2 hours of care in a 24-hour day) Subject to general deductible. Expenses do not apply to annual out-of-pocket maximum	[60%] of UCR (2 hours of care in a 24-hour day) Subject to general deductible. Expenses do not apply to annual out-of-pocket maximum
▪ Home hyperalimentation (Must be pre-certified; lifetime benefit limit of \$500,000)	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Hospice Care (Pre-certification required; if in lieu of hospitalization, additional benefits may be approved.)	[100%] Subject to general deductible and to hospital deductible, if in lieu of hospitalization	[100%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Ambulance Services (Medically necessary emergency transportation only)	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Durable Medical Equipment (Requires Plan-approved Letter of Medical Necessity)	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Outpatient Self-Management Training and Educational Services ▪ Diabetes, Oncology, Congestive Heart Failure, and Asthma	[100%] of negotiated rate. Not subject to general deductible Covered only when participating in approved disease state management program	[100%] of negotiated rate. Not subject to general deductible Covered only when participating in approved disease state management program	Not applicable. Covered only when participating in approved disease state management program
Outpatient Short Term Rehabilitation Services (Physical, Speech, Cardiac, and Occupational therapies are each limited to [40] visits per year)	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible

SCHEDULE OF BENEFITS
Benefits For You and Your Dependents

COVERED SERVICES	July 1, 2001 High Option Plan, The Plan Pays:	July 1, 2001 Standard PPO Plan, In-Network, The Plan Pays:	July 1, 2001 Standard PPO Plan, Out-of-Network, The Plan Pays:
Treatment of TMJ Diagnostic testing and non-surgical treatment limited to [\$1,100] lifetime maximum	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Chiropractic (Limited to [40] visits per year)	[90%] of UCR Subject to general deductible	[90%] of network rate. Subject to general deductible	[60%] of UCR Subject to general deductible
Inpatient Behavioral Health – BHS certification required			
<ul style="list-style-type: none"> Facility Charges (Limited to [60] combined mental health and substance abuse days per Plan year; substance abuse coverage limited to [3] episodes per lifetime) 	[90%] of network rate with BHS referral; [60%] of network rate without BHS referral. Not covered without BHS certification. Subject to hospital deductible of [\$100]	[90%] of network rate with BHS referral; [60%] of network rate without BHS referral. Not covered without BHS certification. Subject to hospital deductible of [\$100]	Not applicable. BHS benefits are carved out of PPO provider network.
<ul style="list-style-type: none"> Partial Hospitalization (PH) and Intensive Outpatient (IOP) Charges (Limited to [30] combined PH and IOP visits/days per year) 	[90%] of network rate with BHS referral. Not covered without BHS referral. Subject to hospital deductible of [\$100].	[90%] of network rate with BHS referral. Not covered without BHS referral. Subject to hospital deductible of [\$100].	Not applicable. BHS benefits are carved out of PPO provider network.
<ul style="list-style-type: none"> Physician Charges (Visit limitations represent a combined total of mental health and substance abuse visits) 	[80%] of network rate with BHS referral; limited to [60] visits per Plan Year. [50%] of network rate without BHS referral; limited to [25] visits per year. Subject to general deductible	[80%] of network rate with BHS referral; limited to [60] visits per Plan Year. [50%] of network rate without BHS referral; limited to [25] visits per year. Subject to general deductible	Not applicable. BHS benefits are carved out of PPO provider network.

SCHEDULE OF BENEFITS
Benefits For You and Your Dependents

COVERED SERVICES	July 1, 2001 High Option Plan, The Plan Pays:	July 1, 2001 Standard PPO Plan, In-Network, The Plan Pays:	July 1, 2001 Standard PPO Plan, Out-of-Network, The Plan Pays:
Outpatient Behavioral Health (Visit limitations represent a combined visit total for mental health, substance abuse, and brief-visit therapy)	[80%] of network rate with BHS referral; limited to [50] visits per year. [50%] of network rate without BHS referral; limited to [25] visits per year. Subject to general deductible	[80%] of network rate with BHS referral; limited to [50] visits per year. [50%] of network rate without BHS referral; limited to [25] visits per year. Subject to general deductible	Not applicable. BHS benefits are carved out of PPO provider network.
Brief-visit therapy (limited to [3] visits per year)	[100%] Not subject to general deductible	[100%] Not subject to general deductible	Not applicable. BHS benefits are carved out of PPO provider network.
Organ and Tissue Transplants (Prior approval required)	[90%] of network rate at contracting centers; [60%] of UCR at non-contracting centers.	[90%] of network rate at contracting centers; [60%] of UCR at non-contracting centers.	Not applicable. Transplant benefits are carved out of PPO provider network.

Draft Date: February 05, 2001

EXHIBIT II

SCHEDULE OF BENEFITS Benefits For You and Your Dependents			
Medical Benefits	July 1, 2001 High Option Plan	July 1, 2001 Standard PPO Plan In-Network	July 1, 2001 Standard PPO Plan Out-of-Network
-----Amount of Coverage-----			
Maximum Lifetime Benefit	[\$2 million]	[\$2 million]	[\$2 million]
Pre-existing Conditions (1 st yr. in Plan, subject to HIPAA)	[\$1,000]	[\$1,000]	[\$1,000]
Lifetime Benefit Limit for Treatment Of:			
Temporomandibular Joint Dysfunction	[\$1,100]	[\$1,100]	[\$1,100]
Substance Abuse	3 episodes	3 episodes	3 episodes
Organ and Tissue Transplants	[\$500,000]	[\$500,000]	[\$500,000]
Home Hyperalimentation	[\$500,000]	[\$500,000]	[\$500,000]
Deductibles / Copayments:			
General Deductible – Individual	[\$300]	[\$300]	[\$400]
Family Maximum	[\$900]	[\$900]	[\$1,200]
Hospital Deductible per admission – excluding BHS and Transplant Program	[\$100]	No separate hospital deductible	No separate hospital deductible
BHS and Transplant Program – Hospital Deductible per admission	[\$100]	[\$100]	[\$100]
Emergency Room Copayment	[\$60]	[\$60]	[\$60]
Urgent Care Center Copayment	Not Applicable	[\$35]	Not Applicable
Annual Out-of-Pocket Maximums (Stop-Loss):			
Individual (you or one of your dependents)	[\$1,500]	[\$1,000]	[\$2,000]
Family (you and your dependents)	[\$2,500]	[\$2,000]	[\$4,000]
BHS Program (per patient)	[\$2,500]	[\$2,500]	[\$2,500]
Covered services from a participating provider will apply only to the in-network deductible and stop-loss amounts. When a member elects to use both in-network and out-of-network providers, payments made toward deductibles and stop-loss amounts will be applied separately to either the in-network or out-of-network amounts. Annual dollar and visit limitations are based on a July 1 st to June 30 th fiscal year.			

Exhibit III

Medicare Risk Benefit Design (Model)

2/14/2001

Benefit	Minimum	Maximum	Recommended Change Effective July 1, 2001
Hospital Services	Semi-private, ICU, CCU covered at 100%, when authorized by HMO (private room if medically necessary), with no limitation on number of days.	Same	
Physician Office Visits	\$10 Copayment for personal physician, \$15 for Specialty Physician	\$15 copayment for personal physician, \$25 for Specialty.	
Office Urgent Care			Maximum copayment of \$25.
Inpatient physician & surgery and outpatient surgery	All physician and surgeon services, including anesthesia and consultations without charge.	Same	
Prescription Drugs	\$10 generic formulary, \$15 brand formulary, \$30 non-formulary. Unlimited generic or brand prescription drugs.	\$15 generic copayment, \$25 brand copayment, \$45 non-formulary.	
Emergency Room (In the Service Area or out of Service Area)	\$35 copayment, but waived if admitted.	\$50 copayment, but waived if admitted	
Mental Health Inpatient Hospital & Physician Services	100% coverage for 190 days lifetime	100% coverage with no limit on number of days	
Mental Health Outpatient Services	\$25 copayment or 50% of the fee, whichever is less.	\$30 copayment with no limit on number of visits	\$10 minimum copayment or 50% of the fee, whichever is less.
Hearing Aides/Exam	\$10 copayment for exams.	\$10 copayment for exams and up to \$500 reimbursement every 36 months.	

Exhibit III

Benefit	Minimum	Maximum	Recommended Change Effective July 1, 2001
Vision Care	\$15 copayment for routine eye exam.	\$20 copayment for annual eye exam; up to \$70 for eyewear reimbursement every 24 months.	
Transportation	\$50 copayment for authorized ambulance services	\$0 copayment for authorized ambulance services	
Home Health	\$10 copayment for authorized services	\$0 copayment for authorized services	
Durable Medical Equipment	\$25 copayment for authorized DME	\$0 copayment for authorized DME	
Outpatient Physical Therapy	\$15 copayment for authorized treatment.	\$0 copayment for authorized treatment.	

Exhibit IV

Service Area Changes for Regular HMO Product

County	Add	Close County to New Members Only	HMO No Longer Available (to All Members)	Approximate Number of Affected Members in Closed Counties
<i>Atlanta Service Area</i>				
Hall		Kaiser		159
Oconee		Aetna US Healthcare		5
Pickens	Aetna US Healthcare			
<i>Augusta Service Area</i>				534 (all counties)
Burke			Aetna US Healthcare	
Columbia			Aetna US Healthcare	
Jefferson			Aetna US Healthcare	
Lincoln			Aetna US Healthcare	
McDuffie			Aetna US Healthcare	
Richmond			Aetna US Healthcare	
<i>Macon Service Area</i>				554 (all counties)
*Baldwin			Aetna US Healthcare	
Bibb			Aetna US Healthcare	
Houston			Aetna US Healthcare	
Jones			Aetna US Healthcare	
Peach			Aetna US Healthcare	
Pulaski			Aetna US Healthcare	
Twiggs			Aetna US Healthcare	

* Effective July 1, 2001, Baldwin county will not have any HMO Option available to new members.

Service Area Changes for Medicare + Choice (M+C) Product

County	Add	Close County to New Members Only	No Longer Available (to All Members) effective January 1, 2001	Approximate Number of Affected Members in Closed Counties
<i>Atlanta Service Area</i>				39 (all counties)
Cherokee			Aetna US Healthcare	
Clayton			Aetna US Healthcare	
Cobb			Aetna US Healthcare	
Coweta			Aetna US Healthcare	
Dekalb			Aetna US Healthcare	
Douglas			Aetna US Healthcare	
Fayette			Aetna US Healthcare	
Forsyth			Aetna US Healthcare	
Fulton			Aetna US Healthcare	
Gwinnett			Aetna US Healthcare	
Henry			Aetna US Healthcare	
Paulding			Aetna US Healthcare	
Rockdale			Aetna US Healthcare and BlueChoice	